

Supplemental Report

By the

Banking and Insurance Committee

Tax Credit Review Commission

November 2012

Committee Members

Tom Reeves, Chair
Craig Van Matre
David Zimmerman

Missouri Tax Credit Review Commission

Supplemental Report of the Banking and Insurance Committee November, 2012

COMMITTEE HEARING

The Banking and Insurance Committee of the Tax Credit Review Commission held a meeting on November 15, 2012 at the Wainwright Building in St. Louis to discuss the content of the existing report, to re-cap the legislative activity related to the Committee credits, to review the written comments, to hear any additional public comment and to discuss the update to the report.

A hearing notice was posted on the TCRC website (<http://tcrc.mo.gov>) and the Banking and Insurance Committee convened in the meeting room and by teleconference. Minutes of the meeting were recorded.

CONSIDERATIONS

The Commission considered that the credits assigned to the Banking and Insurance Committee included tax credits designed to fix perceived inequities in Missouri tax law. The Commission determined that a number of the credits are not true credits in the sense that they incentivize certain behavior but rather they exist to fix inequities and to create ties to current federal standards. The Commission felt that these fell outside of their purview but did make the recommendation to the General Assembly that they consider evaluating whether or not the credits were the most effective mechanisms to accomplish equalization of tax burden for corporate entities.

The Commission did recommend that the Self-Employed Health Insurance Tax Credit be terminated because “it provides its greatest incentive and benefit to those individuals who can most afford health insurance while providing the least benefit for those who cannot.”¹

COMMITTEE RECOMMENDATION AND CONCLUSION

Having established a quorum, the Committee voted unanimously to hereby re-adopt and reaffirm the entirety of its report prepared in 2010.

Respectfully submitted on behalf of the members of the Banking and Insurance Committee,

Tom Reeves, Chairman

¹ 2010 Tax Credit Review Commission Report